

LANARKSHIRE VALUATION APPEAL PANEL

NOTE OF DECISION

and

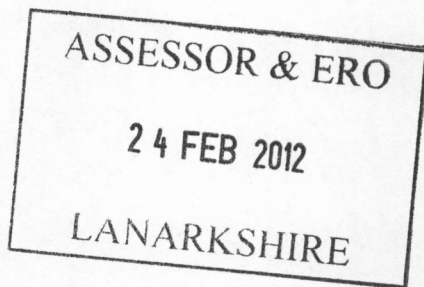
STATEMENT OF REASONS

RELATIVE TO APPEAL

by

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This was an appeal arising out of the 2010 Revaluation.

The appeal subjects were a modern, purpose built double retail unit.

The issue in dispute was the rate to be applied. The Assessor contended for a Zone A rate of £180 psm. The Appellants contended for a figure of £140 psm.

In considering its approach to the matter, the Committee had regard particularly to:-

- the commentary contained in Armour on Valuation for Rating (5<sup>th</sup> Edition) ("Armour"), paragraphs 19-01 to 19-37 inclusive and to the cases and legislation referred to therein: the best method of arriving at an estimate of annual value will be by a study of actual rents passing both in respect of the subjects being valued and subjects comparable with them in size, character and location ( paragraph 19-02); if there are in existence subjects which in size, character and location are sufficiently comparable with the subjects to be valued and if these subjects are let in the statutory terms or at rents which can be adjusted so as to represent the rents of those subjects in the statutory terms then the annual value of the subjects to be valued may be arrived at by consideration of the rents payable for the comparable subjects (paragraph 19-19).
- the definition of net annual value contained in Section 6(8) of the Valuation and Rating (Scotland) Act 1956
- the commentary contained in Armour, paragraphs 5-25 to 5-26 and to the cases and legislation referred to therein: the onus is on the assessor to justify a proposed valuation when that valuation is challenged by a ratepayer, particularly in a revaluation year (Armour, paragraph 5-25).

The function of the Committee was to ensure that the valuation was correct having regard to the relevant facts and valuation law and practice. If the valuation was correct in law, then the Committee could not alter it. They could not take account of any sympathy they may feel for the ratepayer.

The case for the Appellant, while clearly and articulately presented, was flawed in the eyes of the assessor and of the Committee by being based on the Zone A rate/psm obtained from the rateable values of two owner occupied properties in Castle Street rather than looking at comparable properties which were rented at the same date of 1<sup>st</sup> April 2008 to determine the correct level of value then applying this to the appeal subjects, and to the owner occupied blocks after making such adjustments as may be necessary.

It was for the Assessor to explain how he had arrived at his valuation. He submitted that the valuation had been made on the comparative principle involving a series of exercises. He had searched for and identified what he considered to be the full range of subjects to which reference may be made for the purpose of comparison. He had then adjusted the rents to the statutory terms. These were shown in Assessor's Production No.2.

The available rental evidence for retail properties in Castle Street was for Units 1, 3, 4 and 5, 60 Castle Street (described by the Assessor as Block 2) and for the appeal subjects at 44/46 Castle Street (Block.3). These had been built in 2002 and 2008 respectively, were constructed using modern building materials, benefitted from large open floor plates and large glass shop frontages for retail purposes. The Assessor had taken the view that these were comparable in terms of age, character, construction and layout and that on the basis of the available rental evidence these should be valued at £180 psm. The Committee accepted that these were proper comparisons.

The Committee considered that the Assessor had properly explained his valuation which was soundly based on comparative evidence. The Committee considered the Appellants' submission that the other subjects owned by the Appellants at 27/31 Castle Street had been substantially rebuilt and did not suffer from the inherent disabilities attributed to them by the Assessor but did not consider that this was a reason for reducing the rateable value of the appeal subjects.

The Committee accordingly supported the rate of £180 put forward by the Assessor.

23 February 2012

